

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Current Interest Items

1. Early Retirement Bill

Following the Director's meeting on 4 August with Senator Russell, we participated with the Legislative Counsel in meetings on 6 and 7 August with staff officers of the Senate Armed Services Committee. Edward Braswell is the staff officer now working most closely with our bill and he has questioned a number of points on which our bill, which is similar to the Foreign Service Retirement System, deviates from the Civil Service Retirement System. Examples:

a. Termination of widow's annuity upon remarriage

Under Civil Service, a widow's annuity terminates if she remarries; under Foreign Service it does not. We have argued, as has Foreign Service that the widow has in fact earned an annuity by her participation in her husband's work. We have noted also some tragic cases of unsuccessful remarriage which left a widow under the Civil Service System without the support of a husband and without her survivor annuity and suggested that perhaps the Civil Service System should be changed at least to permit restoration of the survivor annuity upon termination of remarriage.

b. Credit for military service

Although the provisions covering credit of military service are similar, there is an important difference in language which permits Foreign Service to credit military service since 1956 in cases when this cannot be done under Civil Service. Under Civil Service, there can be no credit for military service for which the individual "is entitled to receive" social security old-age benefits; under Foreign Service, the language is "entitled to and receives." The Foreign Service Regulations state that their determinations of the creditability of military service will be made "insofar as practicable" in accordance with Civil Service determinations they have taken advantage of this difference in language to credit military service performed since 1956. We stated to the House Committee our understanding that the provisions under Civil Service, Foreign Service, and our proposed CIA system were the same. Legislative Counsel is re-drafting the CIA section to conform to the Civil Service section to use if it is decided to adopt an identical provision. (There appears to be no inherent justification for a difference and we do not believe this would be a critical item except in a few individual cases.)

c. Involuntary Retirements - Use of Grade as Basis for Determining Benefits

Mr. Braswell questions establishing one benefit for GS-14's and above and another for GS-13's and below. He suggested that age or length of

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service might be more appropriate. In discussing this point, we have mentioned that normally the higher-graded officer is older, has a greater period of service, and would have a more difficult time re-establishing himself in another career field at a level comparable to that attained in our work.

In our meeting on 7 August, the discussion was mainly on cost factors. Mr. Braswell seems to question the validity of estimating retirement benefit costs on the basis of a percent of payroll factor as is done by the Civil Service and Foreign Service. He has suggested a different approach based on estimating actual benefit costs for the individual to be retired under the CIA System. He has also requested a paper on the establishment, maintenance, and operation of the retirement fund. We are preparing additional cost information to discuss with him 10 August.

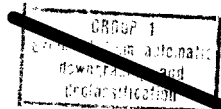
It appears that a number of minor changes may be made in our bill which will require further revisions in our draft regulation. For this reason and because of the need to concentrate our efforts on the Committee Staff's questions, we have in effect suspended work on the regulation for several days.

2. Pay Bill

We participated in the preparation of the memoranda and notices required to adjust the Agency's several pay schedules to the rates of the Government Employees Salary Reform Act of 1964 which the President is expected to sign early in the week of 10 August.

There is a special provision in the bill governing salary adjustments for individuals promoted to GS-16 or GS-17 since 1 January 1964. This provision corrects imbalances resulting from the absence of any adjustment in GS-16/17 rates in January 1964 when rates for GS-15 and below were increased. It states in effect that the salary rates established when these promotions were effected are to be reconverted as if the new pay scales had been in effect at that time and the individuals now be converted to the appropriate step of their new grades. In the Agency, there were five promotions from GS-15 to GS-16 during the period affected and ten from GS-16 to GS-17.

a. The individuals promoted from GS-15 to GS-16 were promoted 5 January 1964. All were in the fourth step of GS-15 (\$17,210). On the basis of the rates then in effect they were promoted to the fifth GS-16 (\$18,000). On the new pay scale, the rate for the fifth step of GS-16 is \$21,555. However, on the new scales a GS-15 in the fourth step (\$18,170) receives on promotion to GS-16 the second step (\$19,590). Consequently, the five individuals concerned will be converted from GS-16 Step 5 (\$18,000) to GS-16 Step 2 (\$19,590) on the effective date of the new rates.

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b. The individuals promoted from GS-16 to GS-17 were in Steps 3, 4, and 5 of GS-16. The three who were in Step 3 of GS-16 were promoted to GS-17 Step 1 (\$18,000); they will be converted on the new scale to GS-17 Step 2 (\$22,195). The three who were in Step 4 of GS-16 were promoted to GS-17 Step 2 (\$18,500); they will be converted to GS-17 Step 3 (\$22,945). The remaining four were in the fifth step of GS-16 and were promoted to GS-17 Step 3 (\$19,000); they will remain in the third step on conversion to the new scale but will of course receive the new rate of \$22,945 for that step. We are bringing these cases to the attention of each Directorate.

We have also arranged for printing 5,000 of the wallet-size pay scale cards showing the new rates and will distribute these to Personnel and Support offices.

3. Annual Conference of Professional Recruitment Officers

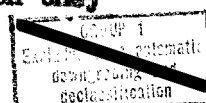
Plans are substantially complete for the annual conference of Professional Recruitment Officers 15-25 September 1964. The agenda includes a meeting to be chaired by the Executive Director-Comptroller of the Recruitment Officers and the Agency officials who will participate in the 100 Universities Program and a talk by the Deputy Director for Support on Career Officer Trainees for the Support Services. The only "outside" speaker scheduled is Mr. Robert F. Mello, Director of College Relations and Recruitment for the Civil Service Commission.

4. Recruiting at Negro Colleges

Mr. [REDACTED] recently attended the Sixth Annual Recruiters Conference conducted by Lehigh University. Of particular interest, Mr. [REDACTED] reports on the presentation by Dr. Julius A. Thomas, Industrial Relations Consultant, National Urban League, as follows:

"His main theme was that he was not suggesting that the Company recruiter lower his Company's standards to recruit Negroes at the Negro college. In lieu of this, he urged that we try to employ them for lower category types of positions where they could possibly qualify and make available to them further training which could up-qualify them in the areas in which their colleges could not supply them educationally. He recognized that this could not be done "tomorrow." But he felt this would serve to assist the transition which is taking place within the Negro heterogeneity of courses preparing them for "Negro work" to those which would equip them to move into the "White" employment field.

"He said that we must anticipate "disbelief" among the Negro college students that we would actually recruit them, a universal feeling developed through the years in which they



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were restricted to the field of "Negro work" alone. He added that the result was amazing and most favorable when a Company which had recruited a Negro at a Negro college, returned him to that campus to inform them that his recruitment and employment had been bona fide in all respects."

5. Dual Compensation Bill

25X1A9a We have designated [REDACTED], Personnel Operations Division, to work with the Office of General Counsel in identifying the provisions of this bill which requires action by the Office of Personnel and to make sure that action is taken by the appropriate Division. Thus far, there are no copies of the bill available with the final changes accepted by the conferees but all copies of the Act will be available immediately after the President has approved it.

6. Blood Donors

Tuesday, 4 August, was Bloodmobile Day at Headquarters. 130 of prospective donors gave 130 pints of blood.

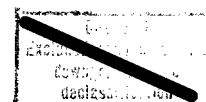
[REDACTED]
Acting Director of Personnel

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